



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0214

Title: Revise laws related to temporary tribal property tax exemption

Primary Sponsor: Hertz, Greg

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 214 adds county notification requirements for the temporary property tax exemption of property in application status for conversion to tribal trust property. The bill also adds a tax recapture provision for applications that have been denied trust status or have taken longer than five years for the federal government to process.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- SB 214 requires the department to notify counties prior to approving an application for property tax exemption under 15-6-230, MCA. The bill requires the department to provide counties copies of approved applications.
- The bill adds the responsibility to provide the county with a copy of the annual tribal certification when trust applications are under consideration by the US Department of Interior, Bureau of Indian Affairs.
- SB 214 adds a tax recapture provision for denied applications and those that exceed the five-year allowance.
- The department would continue to appraise these properties and in cases of recaptured property tax, provide the county with the taxable values for the years the property qualified for temporary exemption. This is current law and practice. Any costs would be absorbed within the existing exemption process. Recaptured taxes under SB 214 are anticipated to be *de minimis* and for fiscal purposes are assumed to be zero.

Office of the Secretary of State

5. SB 214 has tribal notification requirements. This will require minimal cost for postage and administrative duties. The office does not receive general fund monies for office operations but will absorb these costs.

Effect on County or Other Local Revenues or Expenditures:

1. Any recaptured taxes under SB 214 are anticipated to be *de minimis*.

Sponsor's Initials

Date

KA

Budget Director's Initials

2/15/21

Date